# GOVERNMENT OF INDIA
# PLANNING
# LOK SABHA

UNSTARRED QUESTION NO:4853
ANSWERED ON:20.12.2000
LONG DISTANCE SERVICE
SAMIK LAHIRI

**Will the Minister of PLANNING be pleased to state:**

(a) whether the Planning Commission has inter-alia made certain observations on policyissues regarding opening of long distance services for competition by Telecommunication on the Ninth Mid Term Review;

(b) whether the comments from the Ministry of Communications with regard to certainobservations of policy issues regarding opening of long distance services for private competition have since been received;

(c) if so, the details thereof; and

(d) the details of the final guidelines since approved thereof?

## Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF INVESTMNET, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINSTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS & PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a): In the draft Chapter on Telecommunications of the Ninth Plan Mid Term Review, the Planning Commission had, inter-alia, made the following observations regarding opening of long distance services for competition.

(i) Free and full competition should be ensured from the beginning. It has to be ensured that no artificial barriers like competitive bidding based on minimum reserve price and restricting the number of players initially are imposed.

(ii) No entry restrictions except the one-time entry fee and financial soundness and credit worthiness of the operators should be imposed. The quantum of entry fee could be increased appropriately if the one recommended by TRAI is consideredinadequate to keep the non-serious players out.

(iii) Intra-circle long distance traffic has to be permitted to ensure freedom of choice of long distance operator to the subscriber. The artificial distinction between intra- circle and inter-circle long distance connectivity would become redundant in the face of emerging technological innovations. Un-restricted competition among the ISPs has already demonstrated the virtue of this approach to rapidly expand the customer base and reduce cost to the customer at the intra-circle level and the Internet telephony underlining the need to have free competition at the Intra- circle level.`

(b ) & (c): No comments were received from the Ministry. However, the National Long- Distance Services have been opened for competition from August 2000. Free and full competition has been ensured removing all undue restrictions on entry.

(d): The final guide-lines approved by the Govt. for issue of licence for National Long Distance Service are available on Department of Telecom`s web site http://www.dotindia.com